

The Industrial Development Authority of the City of
Tucson, Arizona

450 North Main Street

(Commonly known as 450 North Main Street, Tucson, Arizona 85701)

Dated as of November 7, 2017

Property Summary

Mission Statement:

To be recognized by you as your preferred business associate.

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I. Disclaimer

The Industrial Development Authority of the City of Tucson, Arizona (“**Tucson IDA**”), Business Development Finance Corporation (“**BDFC**”) and /or the Lotzar Law Firm, PC assume no responsibility for the accuracy, completeness, content or the information provided in this Property Summary.

This Property Summary is not intended to be relied upon by any person. The information contained in this Property Summary is provided for convenience only and the Property is going to be marketed exclusively on an “**As Is, Where Is, With All Faults**” basis.

No representations or warranties of any kind are made as to its accuracy or completeness of this Property Summary.

Any person interested in the Property shall be obligated to perform his, her or its own due diligence at his, her or its sole expense and direction.

II. Relevant Parties

Owner

The Industrial Development Authority of the City of Tucson, Arizona, an Arizona nonprofit corporation, which has been designated by statute as a political subdivision of the State of Arizona

Owner’s Advisor

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PROPERTY SUMMARY– 450 MAIN ST.

Owner's Counsel

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**Escrow Company
Used in Acquisition**

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III. Background Information

Title Insurance Policy

A Title Insurance Policy (for Title Insurance No. **FNT0906959**) was obtained by Fidelity National Title Insurance Company, with an effective date of **March 23, 2010**, in the insured amount of **\$161,000**. Fidelity Title also provided the Owner with an Owner's Title Policy covering both Parcels 1 and 2 in the insured amount of **\$600,000**.

General Property Description

The Property consists of **2** separate parcels:

Parcel 1 is immediately adjacent to the East of Parcel 2 and is bounded by Main Avenue to the East and Parcel 2 to the North. **Parcel 1's** APN is **116-19-0140**. It is comprised of **6730** square feet or **0.15** acres.

Parcel 1 was acquired from the State of Arizona for a purchase price of **\$161,000** (based on an ADOT appraisal), acting by and through the Department of Transportation by Special Warranty Deed recorded on **March 25, 2010** at Document No. **2010-0570585**.

It formerly housed the restaurant known as Art's Barbecue, which has **2241 square feet**.

Parcel 1 is subject to an alley conveyed to the City of Tucson recorded at Docket 2044, page 13 and a 5 foot easterly parcel conveyed to the City at Document 1178, page 285.

The alley is **20 feet** wide and located along the western boundary of Parcel 1. The alley located on Parcel 1 is just south and apparently contiguous with the alley on Parcel 2 (as described herein) to the north which provides vehicular access to Parcels 1 and 2 from St. Mary's Road/Sixth Street.

Parcel 2 consists of **25,576 square feet** or **0.59 acres**. Parcel 2 was acquired by the Tucson IDA from the City of Tucson Parcel 2 was acquired at **no cost** to the Tucson IDA, because of the public purpose to be achieved – Parcel 1 and Parcel 2

were intended to be used as an affordable housing development pursuant to the terms of the Development Agreement. Specifically, the Tucson IDA acquired Parcel 2 by Special Warranty Deed recorded **February 13, 2015** at Document No. 2015-0440696 (the “**Parcel 2 Deed**”) pursuant to the terms of the Sale and Development Agreement between the City and the Owner having an effective date of **November 18, 2014** (the “**Development Agreement**”). Parcel 2 had been excess right of way land originally owned by the State of Arizona through the Department of Transportation and located along St. Mary’s Road/Sixth Street to the North, Granada Avenue to the West and Main Avenue to the East.

Parcel 2 includes an easement for a public alley reserved to the City in the Parcel 2 Deed. Pursuant to terms of the Development Agreement, the alley is the only access to Parcel 2 from St. Mary’s Road/Sixth Street unless approval of a final Project site design acceptable to the Department of Transportation is obtained.

The alley is being used for vehicular access to a small parking lot owned by Historic Partners III on the Eastern edge of its property, which owns the building immediately south of Parcel 2.

Pursuant to the terms of the Development Agreement, the City also granted Historic Partners III an easement to permit the encroachment and continued use of an existing sidewalk located on the Southern portion of Parcel 2.

City of Tucson granted to the Tucson IDA a Temporary Revocable Easement (“**TRE**”), dated **October 19, 2010**, which was not recorded. The easement was located in the St. Mary’s Road right-of-way, and was for use as temporary parking and vehicular ingress/egress, in connection with Art’s BBQ located on Parcel 1. The Easement had a **1-year term** which renewed automatically for successive **1-year** periods unless revoked by the Director of the Real Estate Program of the City of Tucson.

Pima County Assessor **116-19-012C** (Parcel 1) (which was apparently re-numbered in 2015 from **116-19-012B**).
The APN for Parcel 2 has not yet been assigned.

Environmental Review Phase I Environmental Site Assessment (“**ESA**”) was done by Rono Environmental on **October 21, 2009**. The findings were as follows:

- No chemicals, raw materials, hazardous substances, or petroleum products were seen at the site. Review of historical information indicates the site was a residential property, vacant, a liquor store, or a restaurant for the last **100 years**. There is no history of industrial use.
- No storage tanks for fuel were seen during the site visit and no underground storage tanks are listed in the database for the property.
- No chemical odors were obvious and only minor staining on the asphalt was seen during the site visit. The staining is *de minimis* and would not be regulated.
- No pools or ponds containing liquid wastes were observed on the property at the time of the site visit. However, the earliest dwelling would have used a pit privy or a cesspool prior to construction of the sewer in **1911**. The building using a septic system (if not connected to the sewer) was demolished more than **50 years** ago. It is the opinion of the preparer that a possible early septic system does not warrant additional environmental evaluation. However, a former pit can be physically hazardous if the site is used for new construction.
- No containers, drums, or sacks of chemicals (other than an empty paint can) were seen during the site visit. There are no historical records to indicate that such items existed in the past.
- There are no current indications of solid waste being inappropriately disposed of, burned, or buried on the property. There is, however, surface debris in the courtyard area on the west end of the building. This

material can be disposed as ordinary household debris to a landfill and is more of a nuisance than it is an environmental concern.

The conclusion was:

“This assessment revealed no evidence of recognized environmental conditions in connection with the property.”

Flood Plain

On **March 14, 2016** FEMA issued its FEMA Letter of Map Revision Determination Document and no portion of the Property is within the **100 year** flood plain. A portion of the Property is in the **500 year** flood plain.

ALTA Survey

The Parcel 1 Survey was conducted by John D. Stitzer of S&S Surveys, Inc., on **March 23, 2010**. The following are some notes from the Parcel 1 Survey:

- **Superseded** -The flood insurance rate map, 04019C226K, effective **February 8, 1999**, revised **November 2, 2001**, shows the Property to be in flood zone “**AO2**”. This is an area determined to be outside a **500-year** floodplain.
- **Superseded** - Given the property's current status as being in a floodplain, if the building were to be built under the existing circumstances the building would have to have a finish floor **2 feet** above the existing grade.
- Access to the Property is from St. Mary’s Road and Main Avenue.
- The Property contains **6,729 square feet**, more or less.

A Second ALTA/ACSM Survey of Parcels 1 and 2 (the “**2014 Survey**”) was prepared on July 17, 2014 by Douglas Schneider of Rick Engineering Company and was based on Fidelity National Title Commitment Order No. 50003413-050-BAS having an Effective Date of July 7, 2014.

The 2014 Survey notes:

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- **Superseded** - “Flood Zone Designation is Zone AO.

Described as ‘Flood depths of 1 to 3 feet (usually sheet flow on sloping terrain): average depths determined. For areas of alluvial fan flooding, velocities also determined.’ Per FEMA Flood Insurance Rate Map Number 04019C2276L, Map revised June 16, 2011.”

Planning and Zoning

The Property is zoned **C-1**: Local commercial use, which is a restrictive zone that is limited to retail sales with no outside display or storage. Office and residential development are permitted.

The Property does not have an historic preservation zone overlay, as do properties to the east and south. Some of the adjoining properties contain historical buildings, and although most of them retain the residential look, a large number of them are used for commercial use.

Waste Water line:

- (i) Main Street there is an 8 inch waste water line which is G1 built in the 1900s and an 18 inch waste water line which is G 8.
- (ii) Granada there is a 12 inch waste water line which is G 22. Please note: tapping into this line may require a Flow Analysis Report, manhole, and the like. Furthermore, after the Granada is redirected there will be a 5 -year paving moratorium during which no modifications can occur - in short no new taps will be permitted.

Schedule of Exhibits

Exhibit A	Legal Description
Exhibit B	Transportation Map
Exhibit C	Development Websites

EXHIBIT A
Legal Description

All that portion of that certain parcel of land described in Docket 7916, page 157, filed in the office of the Recorder, Pima County, Arizona, within Lot 2, Block 185 City of Tucson, recorded in the office of the Recorder, Pima County, Arizona in Book 3 of Maps and Plats, Page 70 and as depicted on Record of Survey Book 13, page 64, filed in the office of the Recorder, Pima County, Arizona, described as follows:

Commencing at the intersection of West Sixth Street and North Main Avenue being the Northerly of Two Brass Cap Survey Monuments in a casting, marked "COT" RLS 12122, as depicted on said Record of Survey;

Thence South 15 degrees 55 minutes 29 seconds East along the monument line of North Main Avenue, a distance of 94.37 feet;

Thence South 74 degrees 04 minutes 31 seconds West, a distance of 32,60 feet to a point on the West right-of-way line of North Main Avenue, also being the Northeast corner of that certain parcel of land described in said Docket 7916, page 157, being a 1/2" Rebar tagged RLS 9432, to The Point of Beginning;

Thence South 15 degrees 03 minutes 15 seconds East, along said West Right-of-Way line and the East line of that certain parcel of land described in said Docket 7916, Page 157, a distance of 35,42 feet to the Southeast corner of that certain parcel of land described in said Docket 7916, page 157 and the Northeast corner of that certain parcel of land described in Docket 10821, page 718, filed in the office of the Recorder, Pima County, Arizona, being a 1/2" rebar tagged RLS 25086;

Thence South 73 degrees 09 minutes 11 seconds West along the South line of that certain parcel of land described in said Docket 7916, page 157 and North line of that certain parcel of land described in said Docket 10821, Page 718, a distance of 165,26 feet to the Southwest corner of the certain parcel of land described in said Docket 7916, page 157 and the Northwest corner of that certain parcel of land described in said Docket 10821, page 718, being a 1-1/2" aluminum capped rebar marked PE 2368;

Thence North 15 degrees 05 minutes 51 seconds West along the West line of that certain parcel of land described in said Docket 7916, page 157 and the East line of that certain parcel of land described in Docket 2044, page 13, filed in the office of the Recorder, Pima County, Arizona, for alley purposes, a distance of 46.04 feet to the Northwest corner of that certain parcel of land described in said Docket 7916, page 157 and Northeast corner of that certain parcel of land described in said Docket 2044, page 13;

PROPERTY SUMMARY– 450 MAIN ST.

Thence North 76 degrees 50 minutes 11 seconds East along the North line of that certain parcel of land described in said Docket 7916, page 157, a distance of 165,31 feet to the Point of Beginning.

The above herein stated legal description being a metes and bounds legal description which supersedes the current legal description of record as follows, to wit:

That portion of Block 185 of the CITY OF TUCSON, Pima County, Arizona, according to the official field notes, map and survey by S, W, Foreman and approved and adopted by the Mayor and Common Council of said City (then Village) of Tucson, on June 26, 1872, a certified copy of which map is of record in the office of the County Recorder of Pima County, Arizona, in Book 3 of Maps and Plats, page 70, and being in Block 1 of GOLDSCHMIDT'S ADDITION to the CITY OF TUCSON, according to the map or plat thereof of record in the office of the County Recorder of Pima County, Arizona, in Book I of Maps and Plats, page 3 [sic, situated in Section 12, Township 14 South, Range 13 East, Gila and Sail River Meridian, Pima County, Arizona], and described as follows:

That part of said Block 185 of the CITY OF TUCSON, described as follows:

Commencing at a point on the westerly line of North Main Street which point is 37 feet southerly from the Northeast corner of Lot 2 in Block 185 of said CITY OF TUCSON;

thence South 16" 18' East, a distance of 140.5 feet along said westerly line of said North Main Street, to the Southeast corner of the tract hereby described;

thence South 73°36' West, a distance of 186,6 feet to the Southwest corner of the tract hereby described;

thence North 14°25' West, a distance of 141,8 feet to the Northwest corner of the tract hereby described;

thence North 74° East, a distance of 182.4 feet to the TRUE POINT OF BEGINNING.
EXCEPT that part conveyed to the CITY OF TUCSON by deed recorded in the office of the County Recorder of Pima County, Arizona, in Docket 203, page 222;

FURTHER EXCEPT the easterly 5 feet conveyed to the CITY OF TUCSON by deed recorded in Docket 1178, page 285;

AND FURTHER EXCEPT that part conveyed to the CITY OF TUCSON for an alley recorded in Docket 2044, page 13.

Exhibit B Transportation Map



Exhibit C Development Websites

Website listings related to various development issues:

- Development Services Maps: <http://maps.tucsonaz.gov/pdsd/index.html>
- TDOT Maps and Records: <http://tdotmaps.transview.org/MandR/>
- Tucson Code: [http://www.amlegal.com/nxt/gateway.dll/Arizona/tucson_az/tucsonarizonacharterandgeneralordinances?f=templates\\$fn=default.htm\\$3.0\\$vid=amlegal:tucson_az](http://www.amlegal.com/nxt/gateway.dll/Arizona/tucson_az/tucsonarizonacharterandgeneralordinances?f=templates$fn=default.htm$3.0$vid=amlegal:tucson_az)
- MS&R Link: <http://www.tucsonaz.gov/planning/plans/regional/msr.pdf>
- Vertcon: <http://www.ngs.noaa.gov/TOOLS/Vertcon/vertcon.html>
- Detention/Retention Manual: http://www.tucsonaz.gov/dsd/Stormwater_detention-retention_manual.pdf
- Development Standards: http://www.tucsonaz.gov/dsd/Codes_Ordinances/DevStandTOC1.pdf
- City of Tucson Standard Manual for Drainage Design and Floodplain Management in Tucson, Arizona, December 1989, Revised, July 1998: <http://tdotmaps.transview.org/mandr/Download/>
- Land Use Code: <http://cms3.tucsonaz.gov/planning/code/luc/lucweb/index.html#TopOfPage>
- PC Map Guide: <http://dot.pima.gov/gis/maps/mapguide/>
- Standard Details: <http://www.dot.pima.gov/transeng/stdspecdet/>